NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

## PAID UP OIL AND GAS LEASE

(No Surface Use)	
LAA Crespin Fobinson, A Single Person	8, by and between
whose addresss is 49/2 falm Ridge Dr. Fort Worth, Texas 76/3	
and, <u>DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Suite 1870 Dallas Texas 75201,</u> as Lessee. All printed portions of this lease were phereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.  1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to I described land, hereinafter called leased premises:	
275 ACRES OF LAND, MORE OR LESS, BEING LOT(S) $12$ ,BLOCK	4
275 ACRES OF LAND, MORE OR LESS, BEING LOT(S) /2 ,BLOCK OUT OF THE, Glencres + Scott ADDITION, AN ADDITION TO	THE CITY OF
TARRANT COUNTY, TEXAS, ACCORDING TO THAT CERTAIN PLAT	T RECORDED
IN VOLUME 358-17, PAGE 33 OF THE PLAT RECORDS OF TARRANT COUNTY,	TEXAS.
in the County of <u>Tarrant</u> , State of TEXAS, containing <u>J</u> gross acres, more or less (including any interests therein which Lessor may reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon a substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforeme Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so cover of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more of	and non hydrocarbor in dioxide and othe ill strips or parcels o entioned cash bonus red. For the purpose

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of Five (5) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons

separated at Lessee's separator facilities, the royalty shall be <u>Twenty-Five (25%)</u> of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casing head gas) and all other substances covered hereby, the royalty shall be <u>Twenty-Five (25%)</u> of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in similar grade and gravity. (b) for gas (including casing head gas) and all other substances covered hereby, the royalty shall be <u>Twentty-Five (25%)</u> of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad visioner taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which there is such a prevailing price) pursuant to comparable purchase chered into or gas or other substances covered hereby in paying quantities or such which are producing of or gas or other substances covered hereby in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shuth an or production there from is not being sold by Lessee, then the such as a such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the each anniversary of the end of said 90-day period while the well or wells are shuth-in or production therefore on before each anniversary of the end of said 90-day period while the well or wells are shuth-in or production therefore is sold by Lessee, there will not the lease of producing

additional wells except as expressly provided herein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as lo any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well or a horizontal completion shall not exceed 60 acres plus a maximum acreage tolerance of 10%; and for a gas well or a horizontal completion shall not exceed 60 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or a horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority; horizontal completion if and 'gas well' and 'gas well and 'gas well' means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and 'gas well' means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and 'gas well' means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and 'gas well' means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and 'gas well' means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and 'gas well' means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and 'gas well' means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and 'gas well' means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and 'gas well' means a well with an initial gas-oil ratio of 100,000 cubic 6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all

such part of the leased premises.

B. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royallies thereunder, Lessee may pay or lender such shul-in royalties to the credit of decedent or decedent's estate in the depository designated above. If all any time two or more persons are entitled to shul-in royalties hereunder, Lessee may pay or tender such shul-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferse to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shul-in royaliles hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of

the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royaltles shall be proportionately reduced.

If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shul-in royaltles shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or tands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises us may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or tands pooled therewith, the ancilitary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of his lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipetines below ordinary plow depth on cultivated tands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growi

now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its lixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such taws, rules, regulations or orders, or by inability to obtain a satisfactory market for production or falture of purchasers or carriers to take or transport such production, not, strike or labor disputes, or by inability to obtain a satisfactory market for production or falture of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not leminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is withing to accept from any party offering to purchase from Lessee and ease covering any or all of the substances covered by link lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with

whiten notice fully describing the breach or default, and then only if Lessee falls to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lesse shall not be forfelted or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee falls to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royally or other benefit. Such subsurface well have easements shall run with the fand and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee's option may pay and discharge any taxes, morfaces or liens existing teyled or assessed on or against the tessed convictor. Lesson shall be subscreaded to the rights of the party to

mortgages or liens existing, tevied or assessed on or against the teased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties altherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished salisfactory evidence that such claim has been resolved. Lessee has been furnished salisfactory evidence that such claim has been resolved.

Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

operations.

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royally, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or dawn depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to after the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date tirst written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE) Da Cheskia Bolinson By: ACKNOWLEDGMENT STATE OF Texas COUNTY OF Tarrant This instrument was acknowledged before ma on the 28 day of  $4\kappa$ 2008, by Notary Public, State of Texas JOE N. SCOTT Notary's name (printed): Notary's commission ex Notary Public, State of Texas My Commission Expires February 24, 2010 STATE OF Texas

COUNTY OF Tarrant

\_, 2008, by: This instrument was acknowledged before me on the \_\_\_\_day of \_\_\_\_

> Notary Public, State of Texas Notary's name (printed): Notary's commission expires:



## DALE RESOURCES 3000 ALTA MESA BLVD STE 300

FT WORTH

TX 76133

Submitter: DALE RESOURCES LLC

## SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## <u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.

Filed For Registration: 07/21/2003 02:40 PM
Instrument #: D208282928
LSE 3 PGS \$20.00

By:

D208282928

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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